PUBLIC AFFAIRS SECTION, U.S. EMBASSY, BRATISLAVA

INTERNATIONAL SECURITY / MIDDLE EAST UPDATE June 27 - July 3, 2013

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1. <u>Meeting With Russian Foreign Minister Lavrov</u> (07-02-2013) Press Statement after Meeting with Russian Foreign Minister Lavrov

Remarks by John Kerry, Secretary of State, Bandar Seri Begawan, Brunei

Hi, everybody. I thought the meeting I had with Secretary Lavrov merited saying a few words because I think it was constructive and very useful, and I think we both agreed with that. We discussed a wide range of issues, but we obviously focused mostly on the issue of Syria. I did raise the issue of, obviously, Mr. Snowden, but that is not his portfolio. It's being handled – nor is it mine directly because it's being handled within the Justice Department. So it is fair to say that we didn't discuss any substantive progress, but I certainly raised, from our point of view, how it fits within the context of our relationship. But again, not his portfolio, and so it wasn't discussed in a way that he would be able to take any action on it, though I hope he will communicate the views that I expressed.

On Syria, we had a very in-depth conversation, and I thought it was important to note that Foreign Minister Lavrov believes, as I do, and as I think President Obama and President Putin believe, that there are two countries that can have the most significant difference on this question, and they are Russia and the United States. We agreed that we are both serious, more than serious – committed to the Geneva process, and we both agreed that our countries have an ability to be able to make a difference if we can pull together in that effort.

We made progress in talking through and building on some of the issues that were discussed in Geneva on June 25th by our Under Secretary Wendy Sherman and by their deputy, Mr. Bogdanov,

as well as Lakhdar Brahimi. We narrowed down some of the options with respect to the potential of that conference. We both agreed that that conference should happen sooner rather than later, though we have a 2+2 meeting between Russia and the United States in July, and obviously August is very difficult for Europeans and for others, so it may be somewhere thereafter, but that's being talked about.

What is clear to me coming out of this meeting and what we both wanted to really ascertain from each other is the level of seriousness and the capacity to be able to do this. Geneva relies on – the next Geneva relies on the work of the first Geneva, which calls for a transitional government with a neutral environment, by mutual consent, with the full transfer of power. Whether the Assad regime is doing better or whether the opposition is doing better is frankly not determinative of that outcome because the outcome requires a transition government. And that's why it is valuable to try to get to Geneva.

So we will continue to push. There are still things that have to be worked out over the course of these next days, but Foreign Minister Lavrov and I felt that this meeting was a very useful meeting. It was constructive, it was conducted in a constructive way, and our objective remains the same; that is, to recognize the notion that there really isn't a military victory per se in Syria that keeps Syria as a country, and number two that we have an obligation to try to work towards a peaceful resolution because a peaceful settlement is the best way to save the state of Syria and to minimize the destruction. That commitment remains a solid one between both of us.

So I'm not going to take questions now because I've got a group of people waiting and we have a very, very tight schedule to move out of here.

2. Biden: Let Croatia Lead Balkans into European Union (07-02-2013)

A commentary by Vice President Biden addresses Croatia's accession to the European Union. This op-ed originally appeared in the Financial Times on July 2.

Let Croatia lead the Balkans into the EU

By Vice President Joe Biden

Every country that binds itself to the union advances the cause of peace

James Joyce wrote that "history is a nightmare from which I am trying to awake". Twenty years ago, Croatians lived that nightmare, imprisoned by regional hatreds and ravaged by war. Yesterday their country became the 28th member of the EU. Croatia has not merely awakened from its tortured history – it has realised the dream of a Euro-Atlantic future.

Croatia's success was far from inevitable. In fact, it is a testament to the courage of its citizens and leaders who overcame the temptations of ultranationalism and resentment. Letting go of the past is a daily struggle. And, day by day, Croatians kept faith with an ambitious vision and built the democratic institutions that opened the doors to Nato and now the EU.

This achievement belongs to the Croatian people. But it is also speaks to the transformative power of the European project guiding countries toward the rule of law, open markets, prosperity and peace.

Croatia is further along that journey than some may think. It has been a Nato ally since 2009 and a contributor to security around the world, including Afghanistan. Once other countries sent

peacekeepers to Croatia; now Croatia contributes to peacekeeping missions in Kosovo, Haiti and the Western Sahara.

Croatia's accession to the EU also raises the stakes for neighbours who face a risk of being left behind. Over time, the borders of the EU should unite the countries of southeastern Europe rather than divide them. We hope that one day its citizens will benefit from the Transatlantic Trade and Investment Partnership we are negotiating with the EU.

But first, Croatia's neighbours must make difficult choices that will pave their own paths into Europe.

It is in the interest of the US, Croatia and the rest of Europe that they succeed. History has no greater monument to the idea that countries need not repeat the conflicts of the past than the EU – and no greater mechanism than integration to ensure they don't. Every country that binds itself to the EU's rules and institutions brings us closer to the goal of a Europe whole, free and at peace. Even during difficult economic times, a unified Europe is preferable to the threats of division and instability. That is why Croatia is working to bring the very people it fought less than a generation ago into the European fold.

In recent months, I have met several leaders from the western Balkans. I am confident that, if they make the right choices, every one of Croatia's neighbours can get there.

Serbia and Kosovo have been locked in a deep and bitter struggle – until now. Through dialogue, co-operation and painful compromise, prime ministers Ivica Dacic and Hashim Thaci have reached a historic agreement to normalise relations. The next steps will not be easy, but these leaders have given their citizens an unprecedented opportunity to build a future defined by respect for rights, shared prosperity and peaceful coexistence.

Montenegro and Albania, too, have hard work left to do, but they are making progress toward European integration, tackling economic and political reforms, fighting corruption and strengthening the rule of law. Montenegro is also on the path to join Albania inside Nato. Macedonia must stay the course of reform, address its interethnic tensions and, with Greece, summon the courage to find a mutually acceptable solution on its name. Unfortunately, there are still some who cling to ethnic grievances, personal rivalries and a zero-sum approach to politics that holds back progress. Four years ago, in Sarajevo, I stood in parliament to tell politicians and officials that the door was open for Bosnia-Herzegovina to become an integral part of Europe, and the US wanted to help them get there. That requires agreement to eliminate constitutional provisions that discriminate against minorities and the decision to register defence properties as state property. Neither has happened, and the people of Bosnia deserve better.

No country can completely leave behind its history or forget its tragedies. And nor should they. But countries can choose to put their futures first and act for the well-being of generations to come. That is what Croatia has done. And the result is that dreams that seemed inconceivable 20 years ago today are wonderfully, irreversibly real.

That is both a cause for celebration and a reminder of what is possible. We congratulate Croatia and recommit ourselves to the larger goal of welcoming the entire Balkans into a Europe that is whole, free and at peace.

Joe Biden is the Vice President of the United States of America.

3. Critical Cyber Needs Include People, Partners, General Says (07-02-2013)

By Cheryl Pellerin American Forces Press Service

WASHINGTON, July 2, 2013 – Despite the inherent technical "geekiness" of cyberspace and urgent Defense Department efforts in that area, people and partners are among DOD's most critical cyber needs, the senior military advisor for cyber to the undersecretary of defense for policy said last week.

Army Maj. Gen. John A. Davis spoke to a large audience at the June 25-27 Armed Forces Communications and Electronics Association International Cyber Symposium in Baltimore.

Cyber partnerships such as those with the National Security Agency and the Defense Intelligence Agency and external partnerships such as those with industry, international allies and academia represent a transformation in the way DOD approaches cyber, Davis said.

For more than two years, he said, "DOD has been fundamentally and deliberately transforming the way we think, the way we organize, the way we train and equip, the way we provide forces and capabilities, the way we command and control those forces, the way we operate and the way we insure leadership and accountability for cyberspace operations."

Even the general's job as military advisor for cyber, a new position formally approved in August in an environment of reduced resources, "is an indication of how seriously senior department leaders are taking this subject," he said.

The standup of U.S. Cyber Command in 2010 was part of this transformation, he said.

"It brought together disparate cyber functions of operating our networks, defending our networks and applying offensive capabilities against adversary networks," said Davis, adding that Cybercom's collocation with the National Security Agency at Fort Meade, Md., greatly improved DOD cyber capabilities.

"There's a much better integration of intelligence through NSA's hard work," the general said. "From shared situational awareness to a common operational picture, NSA is doing some really great work. Leveraging their skills and expertise is not only an operational advantage, it's a necessity."

Beyond NSA's technical focus, Davis said, DOD needs broad strategic context for intelligence to fulfill its cyber mission and that DIA, along with other intelligence community organizations, plays a critical role.

Ultimately, people and organizations who work against the United States and its allies in cyberspace are behind the development of malicious code and software, he said.

"This is where DIA is helping us refine and improve our indications and warning so it's not limited to actions taking place at the speed of light, but actions by humans and organizations and processes that might help us ... act with more options for leadership decisions," the general added.

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As it does with interagency partners at the Department of Justice's FBI and the Department of Homeland Security, DOD builds capabilities in cyberspace by working with industry, international partners and academia.

In its work with the defense industrial base, or DIB, DOD is the sector-specific agency under Homeland Security for interacting with the DIB.

In 2010, the voluntary DIB Cybersecurity Information Assurance, or CS/IA, effort opened as a permanent program after a pilot period with 34 companies. Activities under the program enhance cybersecurity capabilities to safeguard sensitive DOD information on company unclassified information systems.

With the publication of a federal rule in 2012, DOD expanded the program, and nearly 100 companies now participate. At the same time, the optional DIB Enhanced Cybersecurity Services, or DECS, became part of the expanded DIB program.

Homeland Security officials said DECS is a voluntary program based on sharing indicators of malicious cyber activity between DHS and owners and operators of critical infrastructure. The program covers 18 critical infrastructure sectors, including banking and finance, energy, information technology, transportation systems, food and agriculture, government facilities, emergency services, water, and nuclear reactors, materials and waste.

"DOD relies heavily on critical infrastructure, which is in part why the department has a role to play in providing support to defend these commercial systems," Davis said. More than 99 percent of electricity and 90 percent of voice and communication services the military relies on come from civilian sources, he noted.

"Defending our networks is a challenge that's not getting any easier because of our reliance on key networks and systems that are not directly under DOD's control," the general observed.

Davis said the DIB CS/IA program and DECS "are part of a whole-of-government approach to improve the nation's cybersecurity posture. It's a holistic approach, because that's what's required in order to achieve this goal."

DOD international engagement supports the U.S. International Strategy for Cyberspace and President Barack Obama's commitment to fundamental freedoms, privacy and the free flow of information, and the right of self-defense, Davis said.

DOD's ongoing cyber engagement with allies and close partners takes many forms, he added, including sharing information about capabilities and processes, warning each other about potential threats, sharing situational awareness and fielding more interoperable capability.

Such engagement includes joint training venues and exercises, he said -- "everything from tabletop exercises to more sophisticated exercises, and we're doing joint training and putting cyber into our bilateral exercises on a more regular basis."

With the State Department and other interagency partners, the general added, DOD participates on cyber matters in bilateral, multilateral and international forums, such as the United Nations and NATO.

"As an example of a critical bilateral relationship," he said, "I've had the great honor twice in the past year to engage as part of a U.S. academic and government interagency forum with counterpart Chinese academic and government organizations."

The last meeting was in Washington in December, Davis said.

"We recognize China as a rising power and one of the world's leading voices in this discussion, so senior government officials across the interagency have actively engaged their Chinese government counterparts, including their military counterparts ... in a number of ways already and we would like to see those engagements expand," Davis said.

On July 8, DOD officials and several interagency partners "will hold a working group meeting on cyber with our Chinese counterparts to talk about this directly and to strive for concrete solutions with actionable steps for progress," he added.

DOD's partnership with academia addresses what Davis describes as the department's biggest challenge going forward: building the cyber workforce.

"DOD is looking at ways to fundamentally change the way it recruits, trains, educates, advances and retains both military and civilians within the cyberspace workforce," he said. "The vision is to build a system that sustains the cyberspace operations' viability over time, increases the depth of military cyberspace operations experience, develops capable leaders to guide these professional experts ... and ensures that we build real cyberspace operational capability from within our human resources into the future."

The department is looking to partner in new ways with other federal, academic and private institutions, he said, to attract and retain skilled professionals in cyberspace.

"While cyber is always viewed as a technical area," Davis said, "the fact is it's always about people. People are going to make the difference in cyber, just as they have in every other dimension of DOD operations. So we must get the people part right to guarantee success for the future.

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4. Deputy Secretary Burns in Beirut on U.S.-Lebanon Relationship (07-01-2013)

Press Availability by William J. Burns, Deputy Secretary of State, in Beirut

Good afternoon. I am very pleased to be back in Beirut today and to stand with the Lebanese people during this very challenging time in the region -- one with significant implications for Lebanon's future. I had productive meetings today with President Sleiman, Caretaker Prime Minister Mikati, Lebanese Armed Forces Commanding General Kahwagi, Speaker Berri, and other senior Lebanese leaders.

Let me begin by thanking President Sleiman for his hospitality. The President deserves recognition for his steadfast leadership during this difficult period of political transition at home and instability in the region. In today's meeting, I emphasized the United States' strong and enduring commitment to Lebanon's stability, sovereignty, and independence, and our desire to continue to strengthen our long-standing partnership with the government and people of Lebanon. I also conveyed to the President our condolences and deepest sympathies for members of the Lebanese Armed Forces and innocent civilians killed and injured in last week's violence in Sidon. I assured him of the United States unwavering support for the LAF, including training and equipment to assist security forces in their critical role of preserving Lebanon's unity.

At a time of regional tumult and domestic uncertainty, it is deeply in the self-interest of all Lebanese to exercise restraint and respect for Lebanon's stability and security, to defend the institutions of the state, and to preserve Lebanon's democratic traditions. The decisions to delay elections scheduled for this year and boycott the Constitutional Council shake the confidence of the international community in Lebanon's institutions. More importantly, these actions undermine the faith of the Lebanese people in their own government.

Despite its membership in the Lebanese Government, Hizballah has decided to put its own interests and those of its foreign backers above those of the Lebanese people. We condemn in the strongest terms Hizballah's actions in Syria -- they directly contradict the organization's commitment to the Baabda Declaration, stand in direct violation of Lebanon's disassociation policy, and place the future of Lebanon at risk. We call on all parties to respect the disassociation policy and preserve Lebanese stability and unity.

We recognize the enormous burden the conflict in Syria places on Lebanon. The way in which the Lebanese Government and people have so generously opened their homes, schools, and communities to over 500,000 Syrian refugees has inspired us all.

Last week, President Obama announced an additional \$300 million in humanitarian assistance for Syria and its neighbors. The single largest portion of these funds -- \$72 million -- will help refugees in Lebanon and their host communities. We will continue to work with other donors and partners to ensure that the international community provides Lebanon with the urgent humanitarian and development assistance it needs.

Again, it's a pleasure to be back in Lebanon, and now I'd be glad to take a few questions.

QUESTION: Do Hizballah's actions in Syria reflect on its participation in the new government?

DEPUTY SECRETARY BURNS: As I made clear in my opening remarks, the United States condemns Hizballah's intervention in Syria. That intervention may be in Hizballah's interest, it may be in the interest of Iran, it may be in the interest of Bashar al-Assad, but it is certainly not in the interest of Lebanon or the Lebanese people. We continue to strongly support the disassociation policy, the policy to which Hizballah committed itself in the Baabda Declaration. We are deeply concerned that its intervention will undercut the interests not only of the Syrian people, but also the people of Lebanon.

QUESTION: Sir, you spoke of assistance to the LAF. Will assistance be in anyway affected by Hizballah's inaudible in Saida alongside the Lebanese army?

DEPUTY SECRETARY BURNS: Our support for the LAF as an essential state institution in Lebanon, as I mentioned in my remarks, is strong and enduring. We have provided since 2006 nearly a billion dollars in training and equipment for the LAF and for the Internal Security Forces. We are determined to continue to provide that kind of support given the LAF's role in helping to unite people across Lebanese society. I want to repeat again our condolences for the loss of life from the LAF and also innocent civilians in the clashes that took place in Sidon. I understand there is also an investigation into those clashes.

QUESTION: You spoke about certain measures to support Lebanon, especially as long as they show greater involvement of the Syrian problem in Lebanon. What are these measures? Any actions by the United Nations or others?

DEPUTY SECRETARY BURNS: There are a number of different ways in which the United States is determined, as Secretary Kerry promised in his telephone conversation with President Sleiman, to reinforce our commitment. Secretary Kerry's call, President Obama's earlier telephone conversation with President Sleiman, my visit, and the possible visit of Senator McCain and Senator Graham over the course of the next couple of days all are clear indications of continuing U.S. support. In terms of diplomatic support, we are going to continue to work with other friends and partners of Lebanon in this region and in the international community to strengthen our commitment to Lebanon's sovereignty and unity.

I mentioned earlier a third dimension of our support, which is our continuing provision of training and equipment to the LAF and the ISF as well. We are also looking for ways that we can strengthen the economic relationship between Lebanon and the United States, which is important. The United States is already Lebanon's number one trading partner, and I think there are a number of ways in which we can expand our trade and investment relationship in the future. Finally, I would reinforce our commitment to helping the Lebanese Government and the people of Lebanon to deal with the huge burden posed by refugees from Syria. And by that I mean, the \$72 million for Lebanon that was announced recently by President Obama, which is part of our overall \$160 million in humanitarian aid for Lebanon. This aid goes not only for Syrian refugees directly, but also to the Lebanese communities that host them – for their schools, for their hospitals, and for the kinds of institutions that are overburdened right now, but which are an important reflection of the generosity of the people of Lebanon. So there are a number of ways in which we're going to continue to increase our support for Lebanon and for its people. Thank you very much.

5. Energy Secretary at International Conference on Nuclear Security (07-02-2013)

U.S. Department of Energy, Secretary of Energy Ernest Moniz, Vienna, Austria, July 1, 2013

Statement to the IAEA International Conference on Nuclear Security

I want to acknowledge Director General Amano and the President of the Conference, Foreign Minister Martonyi, for their dedicated efforts in organizing this important conference.

I also want to express my gratitude to my fellow ministers for their commitment to the issue at hand and for taking the time to engage personally in this serious discussion.

In the past two weeks, President Obama has given major speeches on two of the greatest challenges facing us today: in Berlin on nuclear security and in Washington on climate change.

These topics are linked by more than timing; nuclear energy is a key part of addressing climate change, and ensuring nuclear security is integral to the expansion of carbon-free nuclear generation.

On climate change, President Obama has laid out an ambitious plan to reduce carbon pollution and begin combating the effects of a warming planet.

A changing climate is a threat-multiplier; from more severe droughts and fires to intensifying storms, the costs are large both in terms of lives lost and money needed to rebuild, and breeding grounds for terrorists can emerge along with weakened national governance.

With energy demand increasing rapidly in India, China, throughout parts of Africa, and elsewhere around the globe, the need for clean energy is rising like never before.

Nuclear energy can and should be part of the solution. But if we are to take advantage of nuclear energy as part of a low-carbon economy, we must also address the challenges of nuclear security. In Berlin, President Obama echoed the vision he first laid out in his 2009 Prague speech: the need to secure vulnerable materials, decrease the number of nuclear weapons, and build a sustainable and secure nuclear energy industry.

President Obama called on the global community to build a new international framework for peaceful nuclear power, and announced his intention to host another Nuclear Security Summit in the United States in 2016.

Over the last four years, the United States has dedicated itself to a collaborative effort with the IAEA and the rest of the international community to enhance our joint efforts on nuclear security.

Starting with the first Nuclear Security Summit in Washington, D.C., we have made important progress together:

- Working with our Russian counterparts under the New START Treaty, we are reducing our number of deployed strategic warheads to the lowest level since the 1950s. In his Berlin speech, the President announced his intention to engage Russia on reductions of up to a third beyond New START, and to discuss reductions in tactical weapons as well.
- Over the last four years, we have continued the strong collaboration with our Russian partners to down-blend 120,000 kilograms of highly enriched uranium from Russian weapons -- converting it to peaceful uses as U.S. nuclear power reactor fuel.
- U.S. nuclear security teams, frequently in cooperation with their Russian counterparts, have worked with governments around the world to remove 1,340 kilograms of highly enriched uranium and 35 kilograms of plutonium from vulnerable sites throughout the world—including removing all highly enriched uranium from ten countries. We will mark another joint accomplishment this week.
- And working shoulder-to-shoulder with the international community, we have improved the security and physical protection of facilities storing nuclear and radiological materials, enhanced the secure transport of such materials, and strengthened the worldwide capacity to combat the illicit trafficking of these materials.

Over the last four years, many of the most immediate priorities that we identified have been addressed, but we must not lose sight of the critical long-term priorities that require continued vigilance and increased focus.

We must ensure the highest standards of security at nuclear and radiological facilities and combat the illicit trafficking of sensitive materials.

Al-Qa'ida has tried for over a decade to acquire nuclear materials for a weapon, and despite the strides we have made in dismantling core al-Qa'ida we should expect its adherents – as well as other violent extremists with a variety of agendas – to continue trying to achieve their nuclear ambitions.

The threat of nuclear terrorism is real and serious, and it will endure for the foreseeable future. Strengthening global nuclear security everywhere is one of the most important ways to reduce this threat.

The IAEA plays a unique role in supporting global nuclear security.

That is why, even during a time of fiscal challenges, the United States supports increased resources for all pillars of the IAEA's work, including technical cooperation, nuclear safety and security, and safeguards.

And at this International Nuclear Security Conference we call on IAEA Member states to recommit to a sustained effort for a stronger nuclear security architecture, as will be reaffirmed in the Ministerial Statement.

For the United States, we will sustain our support for the IAEA and its mission and remain dedicated to seeing the international community reach the necessary nuclear security goals we have set for ourselves.

The United States also remains committed to the IAEA's efforts to develop international standards on nuclear and radiological security, and hopes to see those strengthened and implemented.

We also remain committed to joining and promoting international instruments such as the amended Convention on Physical Protection of Nuclear Materials, and we are seeking Senate action to complete our domestic implementation procedures as soon as possible.

The United States also understands that nuclear security starts at home. The U.S remains committed to the highest levels of security at our facilities.

While no sensitive material was in immediate danger, the fact that one year ago three individuals could approach and deface the exterior of a facility at the Y-12 National Security Complex -- where the United States stores highly enriched uranium -- is unacceptable.

We have made – and will continue to make -- important changes to ensure that these types of events do not happen again.

The humbling experience of having to deal with our own shortcomings offers broad lessons that can be applied beyond the Department of Energy and the United States, and we will continue to share our lessons learned.

For example, later this year, the United States will host its first IAEA-led International Physical Protection Advisory Service mission to one of our nuclear facilities.

In closing, we are committed to fostering the safe and secure contribution of nuclear power to the global energy mix, to taking concrete actions that eliminate nuclear weapons stockpiles, and to controlling nuclear and radiological materials.

I look forward to working tirelessly with colleagues around the world to tackle these complex and pressing issues. And, once again, will support strongly the critical IAEA efforts in this regard.

6. Secretary Kerry's Press Briefing in Tel Aviv, Israel (06-30-2013)

Secretary of State John Kerry, Tel Aviv, Israel

SECRETARY KERRY: I apologize for keeping everybody waiting, but I am pleased to tell you that we have made real progress on this trip, and I believe that with a little more work, the start of final status negotiations could be within reach. We started out with very wide gaps and we have narrowed those considerably. We have some specific details and work to pursue, but I am absolutely confident that we are on the right track and that all of the parties are working in very good faith in order to get to the right place. The most important thing is that I believe the parties — it's not my perception, but I think what the parties themselves believe is possible here, in the end, the choices here are really up to them.

And as I have talked the last few days intensively with leaders in Jordan, in the West Bank, in Palestine, as well as in Israel with Prime Minister Netanyahu and President Abbas particularly, I've really been impressed with their serious commitment to this task. They have spent hours working through language, working through ideas, and the effort that they and their teams have put into this convinces me of their interest in being successful.

They understand that in the pursuit of this new partnership, one ally none of us have is time. Time threatens the situations on the ground, it allows them to worsen, it provides time for misinterpretations, mistrust to harden. It allows time for vacuums to be filled by bad actors. It also allows time for people who want to undermine efforts to make peace to undertake their activities. Finally, of course, it lets patience wear thin and cynicism to solidify, and for unforeseen events to even enter into a closing window.

So our immediate goal is, of course, to resume permanent status negotiations. It is not to negotiate for the sake of negotiating. What we want, and most important, what the people who live here want, all of the people who live here, is an enduring solution to the Israeli-Palestinian conflict, and that is a solution that will lead to two states for two peoples which the majority of Israelis and Palestinians clearly want. It is a solution that will strengthen Israel's security and it will strengthen its future as a Jewish state, and that will give the Palestinian people the chance to fulfill their legitimate aspirations in a country of their own.

In our talks, Prime Minister Netanyahu and President Abbas both engaged constructively, carefully, seriously. We considered different approaches, and I am very hopeful that we are close to an approach that will work. But it will take a little bit more time to work through some of the details and modalities. Both leaders have asked me to continue my efforts to help bring them together, and I am leaving several staff people here to work on these details in the next week or so. And I believe

their request to me to return to the area soon is a sign that they share my cautious optimism, and that is why they've asked me to come back here as we complete the work on these details.

Now, obviously, we're all working very, very hard, and I know that it is a worthwhile endeavor; that I am convinced of. I also know progress when I see it, and we are making progress. That's what's important and that's what will bring me back here.

Thank you. I'd be happy to answer any questions.

MODERATOR: Thank you. We're going to take a few questions now. The first is from Michael Gordon of The New York Times.

QUESTION: Sir, for three days you've been meeting day and night, traveling back and forth between Jordan and Israel. If it's been this difficult to get the parties to agree even to sit down together and negotiate, why is there reason to think that negotiations would actually succeed?

And a related question: The Israelis say Prime Minister Netanyahu offered a package by the end of your marathon session and Mr. Erekat says there was no breakthrough. You've talked of progress. What is this progress that you say you've made here? What are the main elements of the package that you're trying to put together?

SECRETARY KERRY: Well, I'm not going to go into any of the elements of the package, Michael, because we have all agreed that the best way to serve this effort is not to be floating ideas or possibilities out there for everybody to tear apart and evaluate and analyze. The leaders will make those decisions. And that's why this is difficult. Tony Blair is fond of saying that the hardest part is the launch, and the reason is both sides want to understand what the parameters are, what sort of the understanding is about how and what will – how will you negotiate and what will be negotiated about. Once you get to that, then you can begin to really dig in and get to the hard work.

So as I said, the gaps were very broad when we began. They are now, I think, very narrow. And we have, as I said, some work to do. I'm leaving staff here. I wouldn't be doing that if I didn't believe we had something serious to work on. And I'm going to come back because both leaders have asked me to, and I think I wouldn't be asked to and I wouldn't do it if there wasn't some hope and possibility in that.

So I think this is worth it, folks. This has been years and years and years. If it takes another week or two weeks or some more time, that's minimal, miniscule compared to the stakes and compared to what we're trying to do. And the fact that both parties have insisted that they want to continue and work on where we are and insist that it's important for me to come back at the appropriate time, I will do so. That's what President Obama committed to and that's the work that he's asked me to do.

MODERATOR: Thank you. The next question is from Atilla Somfalvi with Ynet.

QUESTION: Yes. Secretary, is there a timeframe? I mean, September is coming up and we are waiting for the presidents to go back to the UN, till September to the end of August. What is the deadline?

SECRETARY KERRY: We're not going to get stuck with artificial deadlines. That's a big mistake. As I just said to you, I'm leaving people here who will continue to work on some of this, and they have asked me to return in the near term. So my hope is that the details and the work that I talked about can be completed. If it can't, I won't come back at that time, but I believe it will be.

I'm feeling very hopeful, as I said earlier, that we have a concept that is being now fleshed out and that people have a sense of how this might be able to go forward. And that is why I said that I believe the start of negotiations could be within reach. Obviously, the work has to be completed. People have to make a few choices still. But the gap has been narrowed very significantly.

I'm pleased and proud of the work that everybody has done. Prime Minister Netanyahu and his team were up until – I think we were there till 4:00 in the morning this morning, working for hours, and we did that the day before, and again with President Abbas. Frankly, we need to take a little more time to work with both sides on a couple of issues that I think are worth working on.

So I'm not going to get into them. It's a mistake. We are committed through this process. When and if we get to those negotiations, which I hope we will get to, we are committed not to talk about what we're doing, because that's the way we're going to be able to really work seriously. I know it's going to be frustrating for you and for other people, and there will be speculation and conjecture and rumors and inaccuracies out there. That is not going to disturb us. We are committed to work on what we know we're working on, and that's the way we're going to maintain the integrity of this effort.

MODERATOR: Great. The next question is from Leslie Wroughton of Reuters.

QUESTION: Leslie Wroughton from Reuters. Mr. Secretary, what was – I understand you've been busy with the Middle East process, but there are other pressing global issues going on. One is Egypt. The White House said this morning it has been in touch with all parts of the Egyptian Government, including President Morsy's office. Have you participated in those talks? And what is it that the Egyptians --

SECRETARY KERRY: Who had? I'm sorry, I couldn't hear you.

QUESTION: The White House had said.

SECRETARY KERRY: Yes.

QUESTION: And have you participated in those talks? Also, in the new security environment, what is the U.S. doing to protect U.S. interests? And is that response informed by what happened in Benghazi? Is that response informed by what happened in Benghazi?

SECRETARY KERRY: The Embassy –

QUESTION: Yes.

SECRETARY KERRY: -- in Cairo?

QUESTION: Correct. And then on Syria, you are going to meet Russian Foreign Minister Lavrov in Brunei. What are you going to tell him? And would you expect to get attention – Mr. Lavrov's attention following recent rebel gains on the battlefield? Are the rebels doing this with more weapons, better weapons?

SECRETARY KERRY: Well, with respect to Egypt, I have – believe it or not, even in the middle of this, I'm keeping in very close tabs with what's happening in Egypt as well as Syria. And I have talked to Mr. ElBaradei, I've talked to Amr Moussa, I have talked with leaders of Gulf countries

particularly – talked with King Abdullah, talked with – every meeting I've had, we have also focused on Egypt, because Egypt is a great concern to all of us. So – and I have talked with the White House regularly with respect to what we're doing as well as the State Department in order to make sure that we're taking the right precautions, and that leads me into the question.

The Embassy – we are very confident about the status, we believe, of the Embassy. There are a great many Embassy folks who are on voluntary – who have been offered a voluntary drawdown. It's up to them whether or not they want to draw down. In addition to that, we have a huge number of people who are actually on leave and away because of vacation and home leave time. So we believe our Embassy is appropriately staffed, and we believe it is appropriately protected. And we've been in touch, obviously, with Ambassador Patterson and staying in close touch with people on the ground.

We are also talking about – sort of not just today, but the day after today, what happens in the future as we go forward. We – I want to extend my condolences to the family of Andrew Pochter, who was killed in Alexandria on the 28th. We have issued, always, advisories with respect to travel. On the 28th, we issued a alert which is a more compelling, urgent statement about the potential of violence. We've urged everybody for weeks now to have knowledge about demonstrations and not to take part in them, or to try to stay away from them.

And so I think that we're monitoring very, very closely events in Egypt. I know that there are about 10,000 folks or so in Tahrir Square at this moment and growing. The heat is about 40 degrees Centigrade, so it's keeping people somewhat away, but I think as the afternoon goes on, the crowds will grow and the evening is obviously what we're watching very, very closely. So we're very much alert to and concerned about and in touch on the subject of Egypt.

QUESTION: And Syria?

SECRETARY KERRY: Syria, well, I'm going to – I look forward to my conversation with Foreign Minister Lavrov. I'm actually anxious to get there and to engage with him because the situation in Syria is grave. We continue to hope that – and there have been talks in the last days with Lakhdar Brahimi and Under Secretary Sherman, and we are very much hopeful that the concept of the peaceful resolution, no matter what's happening in Homs, no matter what's happening, is the only way to try to save Syria.

And there is no, as I have said many times, military solution to the problem of Syria. Now, the Assad regime wants to move to the contrary. Clearly, part of my conversation with Foreign Minister Lavrov and with the Russians will be how we can maximize our efforts together to have an impact on this. Now, I'm not going to go into greater detail with respect to that conversation, but I very much look forward to meeting with Sergey Lavrov when I get there.

MODERATOR: And our final question is from Abdul Raouk-Arnout of Al-Ayam newspaper.

QUESTION: Mr. Secretary, for the last three days, you've been shuttling between Amman, Ramallah, and Jerusalem. Now, we know nothing about these meetings. How these meetings were going? What difficult – it's about, I think, 20 hours of meetings with President Arafat – President Abbas and Prime Minister Netanyahu. So can you describe these meetings, how well it going?

And you've said that you don't want to get into the details. Fine, but the issue of settlements, is it the main obstacle that you've been facing at these meetings?

SECRETARY KERRY: The answer is no, there are any number of obstacles, but we're working through them. And we made progress, as I said, in every sector. We still have, as I said, a little bit of work to do, and I look forward to doing it. But we have widened – again, we have taken a very, very wide gap and we've narrowed it. And these are very complicated talks because the stakes are very, very high for everybody. This is about a country, two countries and two peoples and peace and the possibilities of avoiding war and how you guarantee things where years and years of conflict have hardened feelings and hardened emotions and hardened realities.

So it's hard to work through that. I'm impressed by the attitude, I'm impressed by the seriousness, I'm impressed by the commitment. The fact that we sat there for all those hours; worked through difficult issues; worked through hard, long-term, entrenched beliefs; and found facts and found a way to organize some thoughts is very, very important here. And so I'm very positive. I mean, if I didn't have to go to have these meetings and to take part as I need to, I'd stay here and we'd continue to work. I'm leaving people here to work.

So I hope people feel the strength of possibilities here. I'm a believer in possibilities. I see them now. And I see them more clearly. We have to have the courage to stay at this and to make some tough decisions. Now, they're not my decisions. They belong to some other people. My job is to try to help clarify and encourage and perhaps even occasionally put ideas on the table that can help move us in the right direction. I believe we are doing that, and I thank Prime Minister Netanyahu and I thank President Abbas. They have both made serious efforts to move.

That doesn't mean because you have a few more things to work through over the period of whatever amount of time that people should feel, "Oh my gosh, we're not getting there." This process has been pretty dead in the water for four or five years. So we're trying to come back from that, and I'm encouraged by the seriousness of purpose indicated by both teams. They are working hard. We all are. And we're determined to get there, all of us.

Thank you all very much. Appreciate it.

7. <u>U.S.-Russia Statement on Nuclear Working Group Meeting</u> (06-27-2013)

U.S. Department of Energy June 27, 2013

Joint Statement of the Co-Chairs of the Nuclear Energy and Nuclear Security Working Group of the Bilateral U.S.-Russia Presidential Commission

On June 26, 2013, a meeting of the Nuclear Energy and Nuclear Security Working Group of the U.S.-Russia Bilateral Presidential Commission took place.

The co-chairs share the view that a considerable amount of work has been done within the four-year period of the group's existence.

On January 11, 2011, the Agreement between the Government of the United States of America and the Government of the Russian Federation for Cooperation in the Field of Peaceful Uses of Nuclear Energy came into force, opening new opportunities for our two countries to work together on a wide range of issues of nuclear energy, scientific cooperation, and nuclear and physical security.

On December 20, 2011, the Administrative Arrangement to the Agreement between the U.S. and Russian Governments for Cooperation in the Field of Peaceful Uses of Nuclear Energy was signed and became effective, setting out the mechanisms for accounting, reporting and control of transferred nuclear materials and equipment.

In September 2011, on the margins of the IAEA General Conference in Vienna, a Joint Statement by the State Atomic Energy Corporation "Rosatom" and the U.S. Department of Energy on Strategic Directions of U.S.-Russian Nuclear Cooperation was signed, outlining the major areas of cooperation for the near future. This document includes various aspects of technical, scientific, and commercial cooperation, such as development of new types of reactors and joint efforts to strengthen global nuclear security.

The co-chairs are prepared to coordinate the activities of this Working Group with preparation efforts for the Nuclear Security Summit in The Hague (March 24-25, 2014).

Nuclear Energy: Commercial Cooperation

The co-chairs note that the Amendment to the Agreement on the Suspension of the Anti-Dumping Investigation, signed in February 2008, created new opportunities to develop nuclear energy in both countries. It is expected that timely and high-quality implementation of those contracts in the coming decade will demonstrate the high level of cooperation between companies of both countries after the last delivery to the United States in late 2013 of low-enriched uranium from downblended Russian weapons highly enriched uranium under the 1993 Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons.

The Agreement between the Government of the United States of America and the Government of the Russian Federation for Cooperation in the Field of Peaceful Uses of Nuclear Energy opened new opportunities for cooperation between companies from Russia and the United States of America in the area of supplying nuclear technologies and services to the U.S. and Russian markets.

Cooperation in the Area of Science and Innovation

The key issue requiring resolution in order to increase our joint scientific and technical research is to finalize the new Agreement between the Government of the United States of America and the Government of the Russian Federation on Cooperation in Nuclear- and Energy-Related Scientific Research and Development (R&D Agreement) that will complement provisions of the U.S.-Russian Agreement for Cooperation in the Field of Peaceful Uses of Nuclear Energy. The new R&D Agreement would offer opportunities for a wide bilateral exchange of expertise on innovative scientific ideas and academic exchanges. The R&D Agreement would also outline procedures for distributing intellectual property rights. The two sides intend to sign the R&D Agreement in September 2013. This would give new impetus to the cooperation of our R&D institutes and national labs.

The co-chairs also note the successful joint work within the Civil Nuclear Energy Working Subgroup.

In October 2012, a bilateral video conference among technical coordinators, technical element leads, and country coordinators was held to review progress, discuss open issues, and plan future collaboration. A non-disclosure agreement among the U.S. Department of Energy, France's Atomic Energy and Alternative Energies Commission (CEA), and Rosatom for the MBIR Multi-Purpose

Fast Research Reactor project was completed in November 2012, thereby facilitating information exchange and future collaboration. The Working Subgroup's activities and accomplishments were summarized in an Annual Report, issued in January 2013.

A Memorandum of Understanding between the U.S. Department of Energy and the Russian Research Institute of Atomic Reactors was completed in February 2013, enabling studies on the first collaborative irradiations of advanced structural materials in the BOR-60 reactor.

The Working Subgroup's Annual Meeting was held in April 2013 in Washington, D.C. A report was produced summarizing recent progress and detailed plans for collaboration in the individual technical activities. The sub-group co-chairs decided to hold the fifth annual meeting in May or early June 2014 in Russia.

The co-chairs note the good working relationship between Rosatom State Corporation and the U.S. industry in the development of innovative fast reactor technologies.

The co-chairs welcome collaboration with third countries, such as Armenia, where the U.S. Department of Energy and Rosatom State Corporation are working jointly to enhance the safety of the Metsamor Nuclear Power Plant.

HEU Minimization, Plutonium Disposition, Nuclear Security

The co-chairs note that the joint work on reactor conversion feasibility studies included in the Implementing Agreement between Rosatom State Corporation and the U.S. Department of Energy Regarding Cooperation in Conducting Feasibility Studies of the Conversion of Russian Research Reactors, signed on the margins of the Working Group meeting on December 7, 2010, is completed.

Rosatom State Corporation and the U.S. Department of Energy have completed feasibility studies for six Russian research reactors. The technical feasibility of the conversion to LEU of all six reactors listed in the Agreement, including ARGUS, OR, IR-8 (NRC "Kurchatov Institute"), IRT-MEPHI (NRNU "MEPHI"), MIR M1 (JCC "SRC RIAR"), IRT at Tomsk (Tomsk Technical University) was confirmed. Efforts are currently focused on the development and certification of a new high-density LEU fuel, necessary for the conversion of IRT-MEPHI, IRT at Tomsk, and IR-8.

The co-chairs recognize that implementation of the agreement made it possible to convert the ARGUS reactor, and note that its conversion is planned to take place in 2014. The co-chairs also note that Russia and the United States should continue cooperating on reactor conversion and examine options for cooperation beyond the initial six reactors.

The co-chairs note that earlier 9 of 27 HEU-fueled research reactors in Russia were shut down. In the United States, 20 of 27 HEU-fueled reactors were either shut down or converted to LEU fuel. The U.S. side plans to continue its efforts to develop a new high-density LEU fuel to convert remaining research reactors in the United States.

The co-chairs hope that the expertise on conversion and advanced LEU fuel development available on both sides could be used for conversion of other research reactors, including those in third countries.

The sides continue implementing the research reactor fuel return program of third country research reactors. As of June 1, 2013, 790 kilograms of fresh nuclear fuel and 1,208 kilograms of spent HEU fuel have been returned to Russia (1,998 kilograms of nuclear fuel, enough to produce about 80

nuclear weapons). Also, 262 kilograms of fresh nuclear fuel and 1292 kilograms of spent HEU fuel were returned to the United States.

The co-chairs note that work has commenced to consolidate fresh and spent HEU fuel from Russian research reactors and support continuation of this work, including conducting pilot projects as part of the larger HEU Minimization Working Subgroup consolidation activities.

The co-chairs confirm that in November 2013, the last shipment of LEU derived from 500 metric tons of downblended Russian weapons HEU is scheduled to be delivered to the United States pursuant to the U.S. – Russia Agreement Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons (HEU Purchase Agreement), signed February 18, 1993. The delivery of this final shipment will be a major contribution towards achieving the goals of the Agreement. The sides note that the HEU Purchase Agreement played an important role in the development of the U.S.–Russian partnership, helped to dispose of a substantial amount of HEU derived from Russian nuclear weapons, and allowed for the establishment and implementation of the necessary transparency measures at sensitive nuclear facilities in both countries.

The co-chairs also noted the expiration in June 2013 of the Agreement between the Russian Federation and the United States on the Safe and Secure Transportation, Storage and Destruction of Weapons and the Prevention of Weapons Proliferation of June 17, 1992. The co-chairs are pleased to note the signing on June 14, 2013 of a new bilateral legal instrument that provides a basis for longstanding partnership. This new instrument makes it possible for the United States and the Russian Federation to cooperate in several areas, including accounting, control and physical protection of nuclear materials, converting research reactors from HEU to LEU, and other areas of mutual interest.

Russia and the United States remain committed to implementing the Plutonium Management and Disposition Agreement that came into force in 2011. Under this Agreement, each country is committed to dispose of at least 34 metric tons of weapons-grade plutonium. Consistent with that Agreement, Russia and the United States are continuing their efforts bilaterally, and with the IAEA, to develop a tripartite agreement for IAEA verification of plutonium disposition in the United States and Russia under this Agreement.

Restructuring the Group to Increase its Efficiency

The co-chairs note that the Working Group on Nuclear Energy and Nuclear Security remains a flexible tool of coordinating our joint efforts. To improve its efficiency, it was decided to restructure the Working Group. Instead of the former 13 subgroups, 5 clusters were established, including:

- HEU minimization;
- Physical nuclear security;
- Plutonium disposition;
- International systems of safeguards and export control; and
- Nuclear energy.

The co-chairs are confident that the new format will make the Working Group even more effective and will help implement its tasks. They also stress that the agenda of U.S.—Russian cooperation in the area of peaceful uses of nuclear energy is not limited to the above directions, tasks, and targets.

The co-chairs remain interested in cooperating on supporting and strengthening the nonproliferation and nuclear security capacity of third countries, including strengthening IAEA safeguards and national systems of export control, among other areas.

The co-chairs intend to work together on new ideas, concepts, and projects, including those that would involve wide international cooperation.